



April 14, 2006

Candace Cole
17319 Doublehorn
Helotes, TX 78023

Dear Candace,

Thank you very much for submitting your issue to Sandel Medical Industries, reference number 60722. Your issue was reviewed by our Issue Review Board on March 30, 2006.

Careful thought and consideration was given to your issue, however our Review Board has decided not to pursue your issue as a similar issue was submitted by another healthcare professional previous to your submission. You are therefore released of any obligations with SMI and you may pursue your issue at liberty with another organization.

We currently have a product on the market that may address your issue; therefore I am taking the liberty of enclosing our Safety Scalpel™ with our TimeOut® removable sleeve for your consideration.

We value your friendship, advice and concerns, and encourage you to continue submitting any ideas or issues that come to mind. The success of the SMI program in finding solutions to healthcare issues is dependent on receiving issues from professionals like you.

If you would like to submit another idea or issue you may do so at www.sandelmedical.com or contact our office.

Thank you again for your interest in working with Sandel Medical Industries. For any questions regarding your specific issue, please do not hesitate to call me at 1-866-764-3327, ext. 537.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lucy B. Reday".

Lucy B. Reday
Chairperson, Issue Review Board

Issue: Poor compliance with Time Out being done on every procedure. Staff don't remember to stop and perform Time Out prior to cut.

Safety means NEVER having to say you're sorry.™

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EXHIBIT E